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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Chief, Industrial Division, ORR

DATE: 2 December 1958

FROM : Chief, Electronic Equipment, D/I

SUBJECT: Monthly Activity Report, November, 1958

1. Status of Branch Projects:

- ORR 36.2065 "Trends in the Electronics Industry of Communist China," 1 October 1958, [REDACTED] 25X1A9a

The completed draft has been reviewed and returned to the analyst for a more thorough statement of the methodology employed, and for some textual reorganization. Approximately two weeks additional delay is anticipated for this and for retyping.

- ORR 36.2377 "Production and Utilization of Semi-Conductor Elements in the Electronics Industry of the USSR." [REDACTED] 15 December 1958. 25X1A9a

25X1A9a

The analyst is preparing the final draft for Branch review. I have read several portions of this draft. From this and from discussions with [REDACTED] it appears that this paper will be a combination of a general statement of the economic importance of semi-conductors on the industry plus the assessment of present Soviet capabilities and future prospects. Completion and submission to D/I is indicated by 15 December, rather than 15 October, as planned.

ORR 36.2396 "The Impact of the Guided Missile Program on the Electronics Industry of the USSR," [REDACTED] 15 November 1958.

25X1A9a

25X1A9a

[REDACTED] and I have discussed this project many times between ourselves, with I/GM analysts and with officials of the Electronics Production Resources Agency of the DOD. [REDACTED] is of the opinion, and I concur, that this project appears to be premature as one from which a good quality RR can be prepared. The line of research indicated by the project terms of reference is considered to be still necessary and valid for questions posed by the 1959 NIE. [REDACTED] has drawn up a statement of his opinion on the subject, as follows:

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"It has become apparent that the information required to identify critical areas of the Soviet electronics industry

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with respect to the production of equipment for guided missiles is not available. Information is inadequate concerning both the production of electronic components and the requirements for these electronic components by the guided missile program. Production estimates for electronic components are presently suitable only for assessment of the gross impact of missile requirements on the components sector of the electronics industry. This assessment cannot be stated, however, with any degree of precision because present estimates of missile requirements for electronic equipment are not sufficiently precise to estimate missile requirements for electronic components. US analog information is reportedly being sought by I/GM to facilitate a future estimate of missile requirements for electronic components. From this it is clear that a present study of the impact of missile requirements on the electronics industry of the USSR would not be of RR quality. It is believed, therefore, that the effort to assess the impact problem at this time must be limited to NIE requirements. The gross impact of the Soviet missile program on the electronics industry can be stated and assessed primarily by comparison with analog data for the US. A statement of the direction of error in present estimates of electronic equipment for the guided missile program can be made from this limited analysis. In addition, it is believed that the product area and the significant intelligence problems can be more adequately defined in the cause of the study."

25X1A9a As of the present date about 100 hours of actual research time has been spent on project 23.2396, plus about 60 hours mistakenly applied to the project for [REDACTED] work in connection with the proposed external research project on the Soviet B-200 System. Further discussion will be held with Deputy Chief, D/I, on the advisability of cancellation of this project.

No alteration have occurred during the month in the status of the following projects:

- 25X1A9a
- ORR 36.1556, "The Electron Tube Industry of the USSR," Overdue, [REDACTED] prepared for publication by [REDACTED] 25X1A9a
  - ORR 36.1935, "Trends in the Electronics Industry of the USSR," Overdue, [REDACTED] 25X1A9a
  - ORR 36.1936, "Production of Microwave Communication Equipment in the Sino-Soviet Bloc," 15 November 1958, [REDACTED] 25X1A9a

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- ORR 36.2081, "The Reorganization of the Electronic Industry of the USSR," Overdue, [REDACTED]

25X1A9a

- ORR 36.2378, "Trends in the Electronics Industry of the European Satellites," 15 January 1959, [REDACTED]

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2. Status of Support Projects:

25X1X7

[REDACTED]

Work is presently underway in support of OSI on Soviet production of prime early warning radar in connection with the 1959 NIE.

3. Changes in Estimates:

Information included in the announcement of seven year plan goals has resulted in an alter estimate for electronic computer production during these years. The previous estimate was based on a calculation of the value of known computer production through 1958, carried forward to 1965 on the basis of the announced index. The plan draft provided a terminal year planned value of output which was previously unavailable, plus a planned growth rate which was considerably greater than had been carried in earlier announcements. The revised estimate of 1958 production is approximately double the previous estimate. The revised terminal year estimate is within ten percent of the current Branch estimate, because of the drastic reduction in the planned growth rate.

4. Relationships With Other Components:

A discussion of the USASIA Contribution to the Soviet NIS was held with representatives of ACSI. [REDACTED] was also present. As a result of the discussion ACSI will have the producing analyst consult with I/EE at an early date for detailed coordination. The question of the scope of the USASIA paper (Telecommunications Equipment) in relation to the broader category of the electronics equipment industry was raised. It is my understanding that ACSI considers the definition of "telecommunications equipment" to be quite narrowly restrictive, and that they realize there is a large area of industrial activity not accounted for in this category. The indication was that ACSI would raise no objections to a broadening of the coverage of this section, with CIA being given the responsibility for producing the paper, excluding the telecommunications equipment section. ACSI indicated a strong interest in retaining this as a responsibility of USASIA.

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5. Future Plans:

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